

ABSTRACT

This study aims to obtain empirical evidence on the effect of voluntary disclosure to the investment opportunity set. This research also uses insider ownership as a moderating variable, as well as financing policy, dividend and compensation as control variables.

This study uses a quantitative approach with a sample of manufacturing firms which listed on the Stock Exchange in 2009-2010. Analysis in this research using two step, first with factor analysis to obtain the value of the investment opportunity set (IOS). Factor analysis is done by reducing the variables MVABVA, MVEBVE, PER, CAPBVA, CAPMVA. The second analysis is the analysis of the hypothesis, using moderated regression analysis (MRA).

Statistical tests of the significance shows 0.027 for voluntary disclosure and 0.677 for interaction voluntary disclosure and insider ownership, so that H1 in this research is rejected. It means there is no effect of voluntary disclosure on the investment opportunity set with insider ownership as a moderating variable. These results contradict the results of research Akhtarudin and Hossain (2008) which suggested a significant positive effect of ownership structure as explanatory variables influence the voluntary disclosure to the investment opportunity set, so that the company will have benefit from the growth of voluntary disclosure of more and if company have greater insider ownership, it will reduce the company's agency costs. The control variables in this study have not affect the investment opportunity set, because its value exceeds the 0.05 tolerance.

Keywords: Voluntary disclosure, insider ownership, investment opportunity set, finance ng policy, dividend policy, compensation.